

THE DAILY LIFELINE

Official Newsletter of Diucon



WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY:

Goods & Service Tax
Direct Tax Code
Income Tax
Economy | Finance

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | ACPA, Australia

Laws are changing frequently in India, there are big developments and announcements on daily basis in Economic & Finance world and many other reforms are on the way. This newsletter will keep you updated on daily basis along with documents taken from authentic sources.



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UPDATES RELATED TO

- **New Direct Tax Code-Ministry of Finance**
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Updates related to New Direct Tax Code-Ministry of Finance

❖ **Budget 2020: Modi Govt may cut income tax rate, introduce new slabs to boost consumption.**

The finance ministry is expected to announce a slew of measures in the forthcoming Union Budget 2020-21 to boost consumption and revive growth. North Block officials are in the process of considering several steps such as a uniform tax rate without exemption, new slabs for those in higher-income groups, pruning personal income tax rates (in accordance with those in corporate tax). The ministry is mulling these measures ahead of the Budget for 2020-21, which may be presented by the Finance Minister Nirmala Sitharaman on February 1. The Economic Survey is expected to be announced on January 31. The finance ministry officials would discuss and present the arguments for and against these proposals before a final call is taken at the highest level. "All options are being examined...any such move needs to be examined in the context of gains it can bring to the overall economy vis-a-vis the cost it entails," a government official told the Economic Times.

[*Source: Business Line Report*](#)



Updates related to Goods & Service Tax & other Indirect taxes by CBIC

▪ **Notification/Circular/Press release/FAQs/Portal Update/Write-up by CBIC**

❖ **Government issues instructions for constitution of Grievance Redressal Committees at Zonal/ State level for redressal of grievances of taxpayers on GST related issues.**

GST Council in its 38th meeting held on 18.12.2019 had decided that a structured grievance redressal mechanism should be established for the taxpayers under GST to tackle grievances of taxpayers on GST related issues of specific/ general nature. GST Council has accordingly approved constitution of 'Grievance Redressal Committee' at Zonal/State level consisting of both Central Tax and State Tax officers, representatives of trade and industry and other GST stakeholders.

For more details about organizational structure of committee, its term, functions, mandate and working mechanism, [read this GST Policy Wing letter dated 24th December, 2019](#).

❖ Government issued below notifications and orders for implementation of decisions of 38th GST Council Meeting.

Srn	Notification No.	Date	Subject	Remarks
1	74/2019-CT	26.12.2019	Waiver of late fees for non- filing of FORM GSTR-1 from July, 2017 to November, 2019.	Only if furnishes the said details in FORM GSTR-1 between the period from 19th December, 2019 to 10th January, 2020
2	75/2019-CT	26.12.2019	Changes in CGST Rules, 2017 by 9 th Amendment Rules 2019	Amendment in Rule 36(4) ITC to be availed in respect of invoices or debit notes, the details of which not uploaded by suppliers u/s 37(1), shall not exceed 20% 10% (with effect from 01.01.2020) of eligible credit available in respect of invoices or debit notes the details of which uploaded by suppliers u/s 37(1). New rule 86A “Conditions of use of amount available in electronic credit ledger” been inserted. In this Rule authorized officers are empowered to restrict ITC in cases where supplier of goods or services is not in existence or not carrying business at registered premises or not paid the taxes or recipient not carrying business. Such restrictions will be valid till one year.

Srn	Notification No.	Date	Subject	Remarks
				Rule 138E amended. New clause (c) is inserted with effect from 11th January, 2020: - No person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 <u>in respect of a registered person</u>, whether as a supplier or a recipient, who being a person other than a person specified in clause (a), <u>has not furnished the statement of outward supplies for any two months or quarters</u>, as the case may be.
3	76/2019-CT	26.12.2019	Extension of due date for GSTR-1 for registered persons in Assam, Manipur or Tripura having aggregate turnover more than 1.5 crore rupees for the month of November, 2019	Extension for the month of November, 2019 return till 31st December, 2019.
4	77/2019-CT	26.12.2019	Extend due date for GSTR-3B for registered persons in Assam, Manipur, Meghalaya or Tripura for the month of November, 2019	Extension for the month of November, 2019 return till 31st December, 2019.

Srn	Notification No.	Date	Subject	Remarks
5	78/2019-CT	26.12.2019	Extension of the due date FORM GSTR-7 in Assam, Manipur or Tripura for the month of November, 2019.	Extension for the month of November, 2019 return till 25th December, 2019.
Srn	Order No	Date	Subject	Remarks
1	ROD No. 10/2019	26.12.2019	To extend last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for FY 2017-18 till 31.01.2020.	Last date of submission of annual return is 31.01.2020.

❖ **CBIC issued its weekly GST update dated 21.12.2019**

It covers the GST changes / observations/ press releases/ Tweet FAQs/ Sectoral FAQs released by CBEC since the last update on 14.12.2019. It supplements the earlier GST Updates. This presentation is based on CGST Act/Rules/ Notifications, except the provisions related solely to SGST provisions. Similar parallel provisions in State Laws may be referred to as required.

[Download here](#)

❖ **All about GST on advance received on future supplies.**

[CBIC E-flyer download here](#)

▪ **Legal updates- Court/AAARA judgements/Advance Rulings**

[AAARA- Appellate Authority for Advance Ruling | ARA- Advance Ruling Authority]

Sr.No.	Key to find the document	Court/ARA/AAAR	Description	
			Ruling/Judgement	Summary
1	[2019] 112 taxmann.com 174 Shailesh Rajpal v. Commissioner M.CR.C. NO. 40653 OF 2019 OCTOBER 31, 2019	MP High Court	Order	Where assessee for an offence punishable under section 132(1)(d) was in custody, looking to alleged huge tax evasion by assessee, bail application deserved to be rejected
2	[2019] 112 taxmann.com 177 (Kerala) Bridge Hygiene Services (P.) Ltd. v. State Tax Officer W.A. NO. 2180 OF 2019 OCTOBER 23, 2019	Kerala HC	Order	Where assessee against order of assessment filed writ petition and further writ appeal, as assessee had got an effective remedy by way of appeal, writ appeal deserved to be dismissed.

▪ **News/Latest Developments/Other updates**

❖ **GST non-compliance may cost business their registration**

Not filing goods and services tax (GST) returns on time could cost businesses their assets, as well as their tax registrations, according to a set of instructions issued by the government to field officers in a move aimed at improving compliance.

[Live-Mint Report](#)

- ❖ **Anti-Evasion wing of CGST Delhi detects GST fraud of Rs 241 crores, one held**
The Anti-Evasion wing of CGST Delhi South Commissionerate has discovered here today yet another case of fake invoicing and GST fraud alongside a new modus operandi of defrauding the exchequer by exploiting the facility of refunds given for inverted duty structure. Over 120 entities who are involved in the transactions have come to light so far, involving fake invoicing of Rs. 1,600 crores and tax evasion of Rs 241 crores. The investigations have unearthed a well organised racket of creating bogus firms, issuing fake invoices and bogus e-way bills to generate and encash tax credits. The main culprit was arrested today as per the provisions of Section 69 of the CGST Act, 2017 and produced before judicial magistrate today itself and remanded to 10 days of judicial custody. The racketeer had created several firms on the basis of unauthorised access to identity documents of various persons.

[Source-Fin Min Release](#)



Updates related to Announcement by ICAI

- ❖ The Draft Bank Branch Auditors' Panel of Chartered Accountants/firms for the year 2019-20 has been hosted at www.meficai.org for indicating the category of the applicants of Multipurpose Empanelment Form for the year 2019-20. Professional Development Committee (PDC) of ICAI is receiving various queries from the MEF Applicants on Draft Panel as there is some mismatch in few cases due to upgradation in technology of ICAI recently. ICAI inform that the Draft Panel has been extended up till 2nd Jan., 2020. Members can lodge their complaints on the complaint module of MEF Application at <https://app.meficai.org/complaints>.



Corporate Laws by MCA

- ❖ **National Financial Reporting Authority invites application for engagement of chartered accountants on contract basis**
[Read this circular for more details](#)



The Insolvency and Bankruptcy Law.

- Notification/Circular/Press release/FAQs/Portal Update/Write-up by IBBI
- ❖ Insolvency and Bankruptcy Board of India release data- Corporate Insolvency Resolution Processes Yielding Resolution: As on 30th November, 2019
[Read here for more](#)
- ❖ Indian Institute of Insolvency Professional of ICAI (IIPI) is organising-
 - 26th Batch of Pre-Registration Educational Course-Hyderabad-13/01/2020 to 19/01/2020. [Read here for more](#)
 - 27th Batch of Pre-Registration Educational Course-Mumbai-03/02/2020 to 09/02/2020. [Read here for more](#)
- Legal updates- NCLAT | Court

Sr.No.	Key to find the document	NCLAT/Court	Summary
1	[2019] 112 taxmann.com 313 (SC) Smart Timing Steel Ltd. v. National Steel & Agro Industries Ltd. CIVIL APPEAL NO. 9813 OF 2017 AUGUST 18, 2017	SC	Where appellant-operational creditor failed to furnish copy of certificate from financial institution maintaining accounts of appellant confirming that there was no payment of unpaid operational debt by corporate debtor, NCLAT was justified in upholding order of NCLT dismissing petition filed by appellant for initiating of CIRP on failure to annex copy of certificate as required under section 9(3)(c)
2	2019] 112 taxmann.com 302 S.A. Enterprises v. Reliance Cellulose Products Ltd.	NCLT - Hyd.	CIRP plea filed by operational creditor after limitation period was to be quashed: NCLT



Updates related to Money Market/Banks by RBI

❖ **RBI Announces Special Open Market Operation (OMO) Purchase and Sale of Government of India Dated Securities**

On a review of the current liquidity and market situation and an assessment of the evolving financial conditions, the Reserve Bank has decided to conduct one more simultaneous purchase and sale of government securities under Open Market Operations (OMO) for Rs. 10,000 crores each on December 30, 2019 (Monday). [More details here](#)



Updates related to Latest developments in Economy & Finance world

❖ **Indian start-ups raised a record \$14.5 bn in 1185 funding rounds this year**

As the decade is coming to an end, it has seen an impressive 25x growth from a tiny \$550 million in 2010 to \$14.5 billion in 2019 in terms of the total funding raised by the start-ups. This year start-ups raised \$14.5 billion in 1185 funding rounds out of which 459 were Series A and late-stage investments, according to the 'India Tech Annual Factsheet - 2019' compiled by data analytics firm Tracxn. This is a significant jump from \$10.5 billion raised by young ventures in 2018 and \$10.4 billion in 2017.

[Source- Business Standard Report](#)

❖ **FM Nirmala Sitharaman to hold review meeting with PSB chiefs on Saturday**

Finance Minister Nirmala Sitharaman is set to hold a review meeting with chief executive officers (CEOs) of public sector banks (PSBs) on Saturday. The FM is set to follow up on the Union Budget announcement made in July, in which she had said customers or merchants won't be charged merchant discount rates (MDRs) as the Reserve Bank of India and banks will absorb the costs. Sitharaman will also discuss with PSBs the prospects of launching RuPay credit cards, a move that was recently announced by SBI Card.

[Source- Business Standard Report](#)

❖ **Slowdown blues: Bank credit growth may fall to 6.5-7% in FY20, says ICRA**

According to ICRA, even in a high-growth scenario, wherein the second half of FY20 sees the incremental bank credit rise to Rs 6.5-7 trillion, there will still be a 40-45% year-on-year (YoY) decline.

[Source- Business Standard Report](#)

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A man with dark, wavy hair and a light beard is shown from the chest up. He is wearing a grey textured suit jacket over a dark blue shirt and a patterned tie. His hands are clasped together in front of him, and he is wearing a black watch with a silver-toned face on his left wrist. He is looking slightly to the right of the camera with a serious expression. The background is blurred, showing what appears to be a bookshelf.

- ❖ **Fellow Member** of the Institute of Chartered Accountants of India.
- ❖ **Associate member** of Professional Accounting Body of Certified Practising Accountants (CPA), Australia.
- ❖ **CFA (Corporate Finance)**- Columbia Business School, USA | EMERITUS Institute of Management, Singapore.
- ❖ **Certified Goods & Service Tax Practitioner** from ICAI & Ministry of Micro, Small & Medium Enterprises, Government of India.

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<http://www.pgaa.in>



[Double click on icons to open]